

P-999/CI-89-477 APPROVING TERMS FOR DISMISSAL AND DISMISSING
NORTHWESTERN BELL TELEPHONE COMPANY FROM THE INVESTIGATION AND
REQUIRING THE OFFICE OF THE ATTORNEY GENERAL TO REPORT ON THE STATUS
OF ITS OTHER RELATED NEGOTIATIONS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Patrice Vick	Commissioner

In the Matter of a Petition from the Residential Utilities Division of the Office of the Attorney General for an Investigation into the Restriction of Access to Information Services

ISSUE DATE: March 19, 1990

DOCKET NO. P-999/CI-89-477

ORDER APPROVING TERMS FOR DISMISSAL AND DISMISSING NORTHWESTERN BELL TELEPHONE COMPANY FROM THE INVESTIGATION AND REQUIRING THE OFFICE OF THE ATTORNEY GENERAL TO REPORT ON THE STATUS OF ITS OTHER RELATED NEGOTIATIONS

PROCEDURAL HISTORY

On June 28, 1989 the Residential Utilities Division of the Office of the Attorney General (RUD-OAG) filed a petition asking the Commission to initiate an investigation into problems related to unrestricted access to information providers. The RUD-OAG stated that unrestricted access to 900, 700, and interstate 976 information services has resulted in unauthorized calls made by minors, the emotionally disturbed, and others incapable of entering a valid contract to the financial detriment of innocent subscribers.

The RUD-OAG asked that the Commission initiate a summary investigation and proposed that the Commission order all local telephone companies to provide 900, 700, and interstate 976 blocking service free of separate charges; place the cost of blocking on the interexchange carrier offering the 900, 700, or interstate 976 services; prohibit the disconnection of local service for nonpayment of 900, 700, and interstate 976 charges; and examine whether long distance service may be terminated for nonpayment of the same charges.

The RUD-OAG also asked that the Commission take interim action during the pendency of the investigation to prevent all local exchange companies from terminating local service and interexchange carriers from terminating long distance service for nonpayment of 900, 700, and interstate 976 charges; require telephone companies to inform their customers of this policy; provide mediation services through the Commission's Consumer Affairs Office (CAO) for charges that have

already been incurred; and require refunds of all 900 and 700 charges which have been incurred since December, 1988 by households with 976 blocking.

On July 19, 1989 and August 24, 1989 respectively, Northwestern Bell Telephone Company (NWB) and American Telephone & Telegraph (AT & T) filed comments opposing an investigation and interim relief.

On October 23, 1989 the Commission issued an Order initiating an investigation, establishing a 21 day comment period, and ordering any local telephone company which terminated or threatened to terminate local or long distance services for nonpayment of charges for information services to show cause why it should not be found in violation of Minn. Rules, part 7810.2000, subp. B. In the Matter of a Petition from the Residential Utilities Division of the Office of the Attorney General for an Investigation into the Restriction of Access to Information Services, Docket No. P-999/CI-89-477, ORDER INITIATING INVESTIGATION AND ORDER TO SHOW CAUSE (October 23, 1990).

On January 30, 1990, the RUD-OAG informed the Commission that it had reached agreement in principle with NWB that it believed could resolve the pending investigation with respect to NWB.

At its February 1, 1990 meeting to assess progress in this matter, the Commission received a report from its Staff which indicated that each Minnesota local exchange company and interexchange carrier had provided the information as ordered in the Commission's October 23, 1989 Order and many had supplied comments as requested regarding the investigation issues identified in that Order. Staff further reported that all the local exchange companies and interexchange carriers had filed comments stating that they do not terminate or threaten to terminate local or long distance service for nonpayment of 900 service charges. Staff reported that the RUD-OAG believed that as a result of the "show cause" portion of the Commission's October 23, 1989 Order, telephone companies would no longer threaten disconnection for nonpayment of 900 service charges.

At this February 1, 1990 meeting, the Commission also received a report from the RUD-OAG that an agreement with NWB was at hand and that negotiations with other local exchange companies were proceeding. The Commission granted the RUD-OAG's request that the meeting be continued to allow the RUD-OAG time to finalize the terms of its agreement with NWB. The RUD-OAG agreed to file a report with the Commission regarding two matters on or before February 15, 1990: 1) the agreement reached with NWB and any other party and 2) the issues which remain to be resolved in this matter.

On February 2, 1989, the Commission mailed notice to all parties of record that the Commission would meet on March 8, 1990 to consider the agreement reached between RUD-OAG and NWB.

On February 14, 1990, the RUD-OAG filed with the Commission and served upon all parties to this matter its report summarizing its agreement with NWB. The RUD-OAG stated that it continued to negotiate with other local exchange companies (LEC) to resolve remaining issues.

On February 27, 1990, NWB filed proposed price lists for 900 access restriction service, proposed non-rate changes in its 976 information delivery service price list, a copy of the four page agreement with the RUD-OAG, a proposed customer notice, and proprietary cost information. On the same

day, NWB served all parties of record with a copy of all these items except the proprietary cost study.

On March 8, 1990, the Commission met to consider NWB and RUD-OAG's proposed agreement.

FINDINGS AND CONCLUSIONS

At the request of the RUD-OAG, the Commission has initiated a Commission Investigation into the provision of interstate information services pursuant to Minn. Stat. § 237.081, Subdivision 1. Having done so, the Commission will terminate its investigation, in whole or in part, only upon terms that it finds to be just and reasonable, in the public interest, and supported by substantial evidence.

NWB is one of the local exchange companies whose practices with regard to interstate information services the Commission is investigating as part of this docket. Through its February 27, 1990 filings, NWB proposes that the Commission terminate its investigation into the provision of interstate information services as that investigation relates to NWB in exchange for NWB's agreement to provide certain access restriction services as specified in the agreement between NWB and the RUD-OAG. A copy of NWB and the RUD-OAG agreement is attached to this Order.

The RUD-OAG, which originally petitioned the Commission to undertake this investigation and whose subsequent negotiations with NWB resulted in the current proposal, actively supports termination of the investigation with respect to NWB in return for NWB's specified commitments.

The Commission must determine whether it will adopt the agreement filed with the Commission by NWB on February 27, 1990 and its concurrent filings (proposed price lists for 900 access restriction service, proposed changes in its 976 information delivery service price list, proposed customer notice) as an appropriate final resolution of its investigation of interstate information services as it relates to NWB. Second, the Commission must determine what further step it will take in pursuing this investigation.

THE AGREEMENT

The terms jointly proposed by NWB and the RUD-OAG are fully set out in a letter from NWB to the RUD-OAG dated February 8, 1990. That letter is attached and made a part of this Order. The letter proposes to resolve difficult issues and promises to expedite significant relief to thousands of NWB's Minnesota customers with respect to a troubling and troublesome aspect of telecommunications service. Specifically NWB proposes that:

- * within 16 weeks, 85% of NWB's customers will receive blocking of 900 service numbers at no charge;

- * while the remaining 15% will not receive that blocking service in the immediate

future, there is justifiable reason for the delay that they will experience: the end-offices which serve them do not have the technical capability to do so; moreover, their delay is not permanent; as soon as these end-offices are upgraded so that blocking becomes possible, NWB will provide 900 and 976 blocking to those customers also at no charge;

* 100% of NWB's customers will be immediately notified of their access to NWB's complaint procedures regarding 900 service.

* the assurance that NWB will not disconnect the local exchange service of any of its customers for nonpayment of charges for 900 service will now be stated in NWB's filed tariff.

* costs for making 900 blocking available will be assigned by NWB to the local switching rate element (LS2) of NWB's access service tariff which is paid by interexchange carriers; the local switching rate will not change at this time, but the costs for 900 blocking will be included the next time there is a rate case or rate change request for that element; the parties believe that there shall be little, if any, effect on the general ratepayer caused by handling the costs in this way.

NWB has agreed to work with Commission Staff to finalize the scope and wording of the Customer Notice proposed to be sent to all NWB customers. NWB has also agreed that it will continue to respond to requests for information to assist the Commission during the remainder of the Commission's investigation.

COMMISSION ACTION

Having reviewed the proposed terms, considered the comments of NWB, the RUD-OAG, AT & T, and MCI Telecommunications Corporation (MCI), regarding those terms, the Commission concludes that the proposed resolution of this portion its investigation is just and reasonable, serves the public interest, and is supported by substantial evidence. Accordingly, the Commission will approve the Price List revisions submitted by NWB on February 27, 1990, direct NWB to finalize the wording on the Customer Notice with Commission Staff, terminate the portion of this investigation as it relates to NWB, and dismiss NWB from this docket as requested by NWB on the condition that NWB implement the terms of the agreement attached hereto, dated February 8, 1990.

ORDER

1. The Price List revisions filed by Northwestern Bell Telephone Company (NWB) on February 27, 1990 are approved;
2. NWB is directed to work with Commission Staff to finalize the form of the Customer Notice referenced in the agreement dated February 8, 1990 and attached hereto;

3. The investigation herein shall terminate with respect to NWB and NWB shall be dismissed from this Docket on the condition that NWB implement the terms of the agreement dated February 8, 1990 and attached hereto;
4. Within 30 days of the issue date of this Order, the RUD-OAG shall file a written report on the status of its negotiations with Contel, Centel, United, Minnesota Independent Coalition (MIC) members and non-MIC members.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Lee Larson
Acting Executive Secretary

(S E A L)